GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3038
ANSWERED ON:01.12.2001
CYBERSPACE DEFRAUDED BOI
ADHIR RANJAN CHOWDHURY;NARESH KUMAR PUGLIA

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the government has been drawn to the news-item captioned `Cyberspace implicated in deftauding BOI` as appearing in the `Hindustan Times` dated Augustl4, 2001; .

(b) if so, whether an Individual company in connivance with bank officials and other private parties have deftauded the BOI to the tune of crores of rupees;

(c) if so, the facts and details thereof, and

(d) the steps taken by the Government to check such bank ftauds?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PA TIL)

(a) & (b):- MIs. Cyberspace Ltd. in connivance with MIs. Inmac Computers Pvt. Ltd. deftauded the Bank of India. The Bank has lodgec a complaint with CBI. The CBI has filed charge-sheet on 26.11.2001 against the companies and directors involved. No official of Bank of India has been chargesheeted by CBI.

(c) MIs. Cyberspace Ltd. was sanctioned a lease Finance ofRs.2.80 crore for acquiring computers,servers and other accessories by the Bank of India, Lease Finance branch, Mumbai on February 27, 2001. On the request of the Lessee Company, the equipment lease finance of Rs.2.80 crore was disbursed by the branch to the suppliers of the equipment, MIs. Inmac Computers Pvt. Ltd. on March 14, 2001 against their invoices dated March 5, 2001 in the name of `Bank of India Alc. Cyberspace Ltd.` and Bank had obtained necessary stamped receipt. Post-disbursement visit! inspection carried out by the bank on March 20, 2001 revealed that the equipment leased had not been installed at the premises of the lessee company. On written enquiry with the suppliers, it came to light that MIs. Cyberspace Ltd. had cancelled the order earlier placed with the suppliers and supplier refunded the amount to MIs. Kamal Infosys Ltd. (a sister concern of MIs.Cyberspace Ltd. identified by them). Bank of India has lodged complaint with CBI against the promoters of the Company and suppliers of goods.

(d):- Banks have been advised to follow the laid down procedures and precautionary measures to guaru against ftauds.RBI has also issued a caution advice against MIs. Cyberspace Ltd. and its directors as well as MIs. Ininac Computers Pvt. Ltd. to all commercial banks.